THE WEEKLY OF BUSINESS AVIATION

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AMERICAN SELLING ITS CARIBBEAN COMMUTER OPERATION

American Airlines has put its subsidiary, American Inter-Island Inc., that serves St. Thomas and St. Croix, U.S. Virgin Islands, on the market for $4 million. The commuter operation was formed by American in 1978 because American's 727s were unable to operate between St. Croix and St. Thomas because of runway constraints at the St. Thomas airport. Construction at the Harry S. Truman Airport there has now progressed to the point where American can operate the service with its own equipment and no longer needs the commuter link. American advertised the commuter operation—which includes five Convair 440s—last week in the *Wall Street Journal.* Cyrus S. Collins, president of Inter-Island Inc., told *BA* Friday he had already heard from "at least four" interested parties.

Assets of American Inter-Island Inc. consist of five Convair 440s, configured to carry 48 passengers each. Included in the operation is ground equipment, air conditioning trucks, fuel trucks, work stands, servicing equipment, office equipment and approximately $1.2 million in aircraft spares. The operation has approximately 48 employes, of which 12 are pilots. Although the airline stopped operating on June 1, the employes are still on American's payroll and are on stand-by basis for an "occasional chore" Collins said.

Collins said he does not anticipate American having any trouble selling its subsidiary. "It is a good opportunity for someone to buy a commuter operation for the price of one, good aircraft." He added that "financing is the key" to purchasing the airline and interested parties will have to "move fast."

REAGAN EXPECTED TO SIGN BILL CONTAINING CAB SUBSIDY FUNDS

White House officials said last Friday that President Reagan has been urged by top advisors to sign a supplemental appropriations bill that contains $28.4 million in additional funds to finance CAB's subsidy program. The bill, which also contained funds necessary for salaries of workers in a number of government agencies, passed the House and Senate last Thursday.

Reagan had vetoed two earlier versions of the measure because Congress had included more funds than the Administration had requested. However, officials indicated that since Congress cut out some of the items Reagan found objectionable, he was expected to sign the measure over the weekend or early this week. CAB officials had warned that if some additional funds were not approved before the end of July, its subsidy program could run out of money and jeopardize continuation of the essential service program *(BA, July 5/1).*

DISMAL FIRST-HALF SHIPMENT REPORT REFLECTS STATE OF THE ECONOMY

Continuation of high interest rates and the current recession are reflected in first-half statistics by the General Aviation Manufacturers Association. Deliveries of new aircraft by GAMA members in the first six months of 1982 totaled 2,517 aircraft, down 49.9 percent from the same period last year when the industry delivered 5,021 new aircraft. First-half billings were down 22.8 percent to $1.07 billion, compared to $1.39 billion last year.

GAMA President Ed Stimpson said the combination of U.S. and world economic conditions, high interest rates and lowered business confidence mean potential aircraft buyers continue to defer purchase decisions. "In response to these conditions, manufacturers are trimming their production schedules to meet re-

(Continued on the following page)

GAMA SHIPMENTS *(Cont.)*

duced demand," Stimpson said. "Extended vacation schedules and production line shutdowns this summer will mean low shipment levels for the next few months. The overall situation will not improve until we see an upturn in general business conditions."

Most observers concede that a significant economic recovery is unlikely until sometime in 1983. Because of the layoffs and extended vacation shutdowns implemented by GA manufacturers in recent months, it appears unlikely that deliveries of new aircraft in the second half will match even the depressed level of the first six months. This means that total deliveries for 1982 will probably drop below 5,000 units for the first time since the industry delivered 4,434 aircraft in 1955 *(see chart on the back of Page 18).*

FAA LAUNCHES REVIEW OF MEDICAL STANDARDS AND CERTIFICATION PROCEDURES – Federal Aviation Administration last week formally announced its Medical Standards and Certification Procedures Review, which will examine the standards currently contained in Part 67 of the Federal Aviation Regulations. The agency published new interim standards for issuance of airman medical certificates and revised cardiovascular and alcoholism standards earlier this year and said at that time that it planned to "undertake an overall review of the medical standards in Part 67 of the FARs," *(BA, April 19/121).*

Last week's announcement, published in the July 15 *Federal Register,* invited the submission of comments or suggestions on proposed changes to Part 67. Comments should be submitted to FAA, Office of the Chief Counsel, Attn: Rules Docket (AGC-204), Docket No. 23190, 800 Independence Ave., S.W., Washington, D.C. 20591. Additional information is available from Dr. William H. Hark, Aeromedical Standards Division, Office of Aviation Medicine, Associate Administrator for Aviation Standards, at the address listed above.

DE HAVILLAND SALES REACH ALL-TIME HIGH – De Havilland Aircraft of Canada Ltd. recorded the highest sales figures in its 54-year history during the aircraft manufacturer's 1982 fiscal year, ended May 31. Sales of $450 million topped the company's previous annual report by more than $90 million.

De Havilland added that despite its record-breaking year, the company "has eaten into its order backlog." As well as the sales order reductions that all companies are bearing due to high interest rates, de Havilland's profit margin "is further eroded by the high debt/equity ratio of the company." De Havilland President and Chief Executive Officer John W. Sandford noted that slackening of aircraft sales around the world forced a slowdown in production rates for the manufacturer early this year. Sandford said he believes the existing order backlog is sufficient for some time at the reduced production rates, but warned that "our next fiscal year will be tough, however, unless there is an immediate turn-around in the world economy."

EDO AVIONICS HOPES TO BEGIN RECALLING WORKERS NEXT MONTH – EDO Avionics Division, Mineral Wells, Tex., hopes to begin recalling some 120 furloughed production workers next month following the end of a scheduled six-week shutdown. The company laid off the approximately 120 production workers on June 17 as a result of depressed orders from aircraft manufacturers. Salaried personnel, including those responsible for marketing, product support and engineering remained on the job. Production workers are scheduled to begin returning to work on Aug. 2.

AEROSPACE INDUSTRIES ASSOCIATION ISSUES REPORT ON BARRIERS TO U.S. TRADE – Aerospace Industries Association has released a 32-page report which it says shows that international aerospace standards and related areas of qualification and testing can have "considerable impact as barriers to U.S. trade." The report was developed by AIA's Aerospace Research Center and Aerospace Technical Council and is based on a study by Nalesnik Associates, a Washington-based consulting firm.

The study identifies several areas in the international marketplace where standardization is generating or has the potential to "generate disincentives to U.S. trade," AIA said. It said some examples are exclusionist European Economic Community requirements, and the potential imposition of metric requirements, whether by foreign goverment fiat or by international standards. The study is available from AIA at 1725 De Sales St., N.W., Washington, D.C. 20036.

Annual Shipments of New U.S. General Aviation Aircraft by Units Shipped, Number of Companies Reporting, and Factory Net Billings

Year	Units Shipped	Companies Reporting	Factory Net Billings (Millions)
1946	35,000	—	$ 110.0
1947	15,594	15	57.9
1948	7,037	12	32.4
1949	3,405	11	17.7
1950	3,386	13	19.1
1951	2,302	12	16.8
1952	3,058	8	26.8
1953	3,788	7	34.4
1954	3,071	7	43.4
1955	4,434	7	68.2
1956	6,738	8	103.7
1957	6,118	9	99.6
1958	6,414	10	101.9
1959	7,689	9	129.8
1960	7,588	8	151.2
1961	6,778	8	124.3
1962	6,697	7	136.8
1963	7,569	7	153.4
1964	9,336	8	198.8
1965	11,852	8	318.2
1966	15,768	10	444.9
1967	13,577	14	359.6
1968	13,698	14	425.6
1969	12,591	14	638.8
1970	7,402	13	364.1
1971	7,464	11	313.1
1972	9,774	12	557.2
1973	13,646	12	828.2
1974	14,166	12	909.4
1975	14,056	12	1,032.9
1976	15,449	12	1,225.5
1977	16,907	12	1,488.1
1978	17,811	12	1,781.3
1979	17,048	12	2,165.0
1980	11,877	12	2,486.2
1981	9,457	12	2,919.9

GAMA Chart

ALCOHOL DE-ICER SYSTEM CITED IN PILGRIM TWIN OTTER ACCIDENT – National Transportation Safety Board last week listed the "deficient design" and "inadequate maintenance" of the isopropyl alcohol windshield washer/de-icer system which resulted in an inflight fire as the probable cause of the fatal accident involving a Pilgrim Airlines DHC-6 Twin Otter in late February *(BA, March 1/68).* The fire, which began shortly after the aircraft departed Groton, Conn. for Boston, Mass., necessitated an emergency landing on a frozen reservoir near Provincetown, R.I. One passenger died as a result of the fire and a number of persons were injured, including the two pilots.

Although investigators were unable to identify the ignition source that started the fire, Frank Taylor, chief of NTSB's Bureau of Accident Investigation, said the problem resulted from a leaking plastic tube that led from the alcohol reservoir to the outside of the windshield. In addition to a small amount of alcohol that had accumulated in the cockpit, alcohol was sprayed into the cockpit when the de-icer system was activated and an intense fire ensued.

Taylor said the same leaking problem had occurred on other Pilgrim aircraft, adding that he had never seen such an installation used to carry flammable liquids. He explained that the tubing tended to harden and crack and pointed out that it was attached to the washer/de-icer system with safety wire instead of clamps. Although the NTSB members acknowledged that de Havilland of Canada maintenance manuals depict the use of safety wire in such a manner, board members agreed that repeated problems with the system should have alerted Pilgrim maintenance personnel to the necessity of modifying the system.

While faulting the design and maintenance of the washer/de-icer system, NTSB members were outspoken in their praise for the actions of the pilot and co-pilot, both of whom suffered serious burns. The board specifically noted that the crew was not responsible for the accident, adding that "their prompt and heroic responses were appropriate for the inflight emergency."

The board previously recommended that such washer/de-icer systems be redesigned and modified "to eliminate the potential of alcohol leaks" or replacement of the entire system with an electrically heated windshield. In addition, the board recommended that FAA review all such designs to ensure that they comply with applicable sections of the Federal Aviation Regulations regarding flammable liquids. NTSB also recommended that FAA require its Part 135 operations inspectors to determine: that oral briefings given by the crew and those provided on safety cards comply with applicable regulations; and, that the location of extinguishers and other safety equipment are clearly marked and are accessible.

FAA PUBLISHES NOISE STATUS REPORT FOR TRANSPORT AIRCRAFT – Federal Aviation Administration anticipates that nearly 73 percent of transport category aircraft in service with the nation's airlines will comply with applicable noise regulations by the end of this year. The regulations, which adopted Title III of the Aviation Safety and Noise Abatement Act of 1979, were issued in November 1980 establishing compliance requirements for all operators of affected aircraft in the U.S. FAA report on the status of the compliance program is reprinted *on the back of this page.*

LITTON WINS FAA PROCUREMENT FOR ATC COMMUNICATIONS – Litton Industries' Amecom Division has been selected by the Federal Aviation Administration to provide 45 or more advanced voice communication switching systems for new airport towers, terminal radar control facilities and automated flight service stations across the U.S. The program, called Integrated Communications Switching Systems (ICSS), has an expected value of more than $100 million over the next several years and is a key element of the FAA's 20-year National Air Space System Plan.

The Amecom system will provide instantaneous and direct voice links among controllers in an airport tower or TRACON, or among personnel at automated flight service stations (AFSS) and with pilots via radiophones. Under the contract, Amecom is to produce and lease to FAA 14 or more systems for new towers and TRACONS, each including from 16 to 80 controller positions. They are scheduled for installation in such cities as Miami, Honolulu and Orlando. Amecom is also scheduled to supply similar systems for 31 new AFSS facilities being built around the country for primary use by general aviation pilots seeking weather and traffic information via telephone radio links.

FAA REPORT ON COMPLIANCE WITH AIRCRAFT NOISE STANDARDS

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Updated Report of the Fleet Status and Compliance Plans of U.S. Domestic Aircraft Operators as They Move Toward Compliance With the FAA's Aircraft Noise Regulation

AGENCY: Federal Aviation Administration (FAA), DOT.

SUMMARY: The table below summarizes the fleet compliance status as of January 1, 1977 (approximately the date the regulation was issued), the status as of April 1, 1980, January 1, 1981, January 1, 1982, and fleet projections for the phased compliance deadlines of January 1, 1983, and January 1, 1985. When the regulation was issued, slightly over 20 percent of the U.S. fleet met the FAA noise standards. As of January 1, 1982, almost 55 percent of the fleet complied and that percentage will reach 73 percent by January 1, 1983.

DISCUSSION: In December 1976, the FAA issued Subpart E of Part 91 of the Federal Aviation Regulations [14 CFR 91] which prescribes noise limits for U.S. registered, civil subsonic turbojet airplanes with maximum weights over 75,000 pounds and having standard airworthiness certificates. These requirements prohibit domestic operation in the United States of affected airplanes after specified dates, with full compliance required by January 1, 1985.

In November 1980, the FAA issued a final rule (adopting Title III of the Aviation Safety and Noise Abatement Act of 1979) to extend these same noise compliance requirements to all operators of affected aircraft in the United States, whether U.S. or foreign registered. This rule also provided for exemptions to extend the compliance deadline for two-engine airplanes (DC-9, Boeing 737, BAC 1-11, and SE-201) to January 1, 1985 (for over 100 seats) or to January 1, 1988 (for 100 or fewer seats) as protection for small community service.

To ensure that all domestic operators are taking appropriate steps to meet the noise compliance requirements, the FAA amended 14 CFR Part 91 in December 1979, to require the operators of affected turbojet airplanes to provide the current status of their fleets and their plans for achieving timely and continuing compliance. The first summary report on Fleet Noise Compliance was published on July 17, 1980 (45 FR 48011) and the second was published on August 6, 1981, (46 FR 40126). This report is an update to that publication.

As originally issued, the FAA noise compliance regulation required full compliance by January 1, 1985. To date, the FAA has issued exemptions for 477 two-engine airplanes as protection for small community service. These exemptions were issued to 26 operators and extend the compliance dates to January 1, 1985, for 130 airplanes and to January 1, 1988, for 347 airplanes.

The table also indicates the pace at which U.S. operators are moving the four-engine narrowbody models (Boeing 707 and 720, DC-8) from domestic service. All of these will be gone by January 1, 1985, except for 78 stretch DC-8's, which are currently planned for reengining.

Information in the compliance plans submitted by many of the operators included future additions to their fleets. Where available, these data have been incorporated in the table. However, operators are not required to provide this type of information to the FAA under this program and, as a consequence, this table is not indicative of total future airplane purchases or the total future U.S. fleet.

FOR FURTHER INFORMATION CONTACT: Mr. Richard N. Tedrick, Chief, Noise Policy and Regulatory Branch, AEE-110, Noise Abatement Division, Office of Environment and Energy, Federal Aviation Administration, 800 Independence Avenue, S.W., Washington, D.C. 20591, Telephone: (202) 755-9027.

James E. Densmore,
Chief, Noise Abatement Division.

NOISE COMPLIANCE FLEET PROJECTIONS

Airplane type	Jan. 1, 1977			Apr. 1, 1980			Jan. 1, 1981			Jan. 1, 1982			Jan. 1, 1983			Jan. 1, 1985		
	Total airplanes		Number complying	Total airplanes		Number complying	Total airplanes		Number complying	Total airplanes		Number complying	Total airplanes		Number complying	Total airplanes		Number complying
A300	0		0	14		14	19		19	25		25	30		30	30		30
BAC 1-11	33		0	44		0	44		0	57		0	56		0	45		11
B707	277		0	190		0	147		0	84		0	74		0	0		0
B720	21		0	12		0	11		0	8		0	0		0	0		0
B727	842		188	1,082		540	1,078		648	1,138		764	1,142		1,108	1,105		1,105
B737	150		7	224		71	229		82	247		109	250		136	249		209
B747	112		35	141		121	148		132	151		150	150		150	153		153
CONVAIR	25		0	8		0	8		0	8		0	8		0	0		0
DC-8	224		0	184		0	181		0	143		2	137		27	78		78
DC-9	387		32	400		74	405		83	476		111	472		163	467		191
DC-10	124		124	148		148	152		152	162		162	163		163	162		162
L1011	81		81	91		91	93		93	110		110	118		118	120		120
SE210	0		0	8		0	8		0	4		0	3		0	0		0
B757	0		0	0		0	0		0	0		0	0		0	27		27
B767	0		0	0		0	0		0	0		0	19		19	92		92
BA 146	0		0	0		0	0		0	0		0	0		0	b		6
Total	2,256		465	2,522		1,057	2,497		1,209	2,814		1,433	2,631		1,814	2,536		2,184
Percent		20.6			41.9			48.4			54.8			72.7			86.1	

[FR Doc. 82-18418 Filed 7-7-82; 8:45 am]

BILLING CODE 4910-13-M